

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ADAIR COUNTY WATER)	
DISTRICT, A WATER DISTRICT ORGANIZED PUR-)	
SUANT TO CHAPTER 74 OF THE KENTUCKY REVISED)	
STATUTES, IN ADAIR COUNTY, KENTUCKY, FOR)	
(1) A CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY, AUTHORIZING AND PERMITTING SAID)	
WATER DISTRICT TO CONSTRUCT WATER DISTRI-)	CASE NO.
BUTION SYSTEM IMPROVEMENTS, CONSISTING OF)	9518
SEVENTY-SIX MILES OF WATER TRANSMISSION)	
LINE AND APPURTENANCES; (2) APPROVAL OF)	
THE PROPOSED PLAN OF FINANCING OF SAID)	
PROJECT; AND (3) APPROVAL OF INCREASED)	
WATER RATES PROPOSED TO BE CHARGED BY THE)	
DISTRICT TO ITS CUSTOMERS)	

AMENDED ORDER

On March 3, 1986, Adair County Water District ("Adair") filed its application for an increase in water service rates, authorization to construct a \$2,105,700 waterworks project for 516 new customers, and approval of financing for the proposed project. On June 6, 1986 the Commission issued an Interim Order authorizing the construction and financing. A Final Order was then issued on July 11, 1986, which addressed the revenue requirements and rate design.

On December 13, 1986, a letter was filed by Adair advising the Commission that the interest rate of 7 3/4 percent stated in the application was higher than the 5 percent, or the stated rate, on the Adair bonds of 1985 that were actually delivered to the Farmers Home Administration. As a result of this decrease in the

interest rate, Adair will experience a reduction in its revenue requirement in the amount of \$36,041. Accordingly, an adjustment has been made to Adair's rates for water service, as provided in Appendix A.

IT IS THEREFORE ORDERED that:

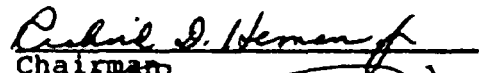
1. The Commission's Order be and it hereby is amended to reflect the decreased interest rate of the 1985 bonds.

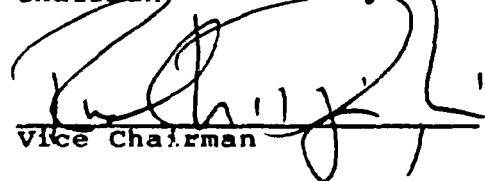
2. The rates in Appendix A are fair, just, and reasonable, and hereby are approved for services rendered by Adair on and after the date of this Order.

3. Within 30 days from the date of this Order, Adair shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 2nd day of June, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9518 DATED JUNE 2, 1987.

The following rates and charges are prescribed for the customers in the area served by Adair County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates

Meter Size and Usage

5/8" X 3/4" Meter

First 2,000 gallons	\$10.50 Minimum Bill
Next 3,000 gallons	3.50 per 1,000 gallons
Next 5,000 gallons	3.00 per 1,000 gallons
Next 15,000 gallons	2.50 per 1,000 gallons
Over 25,000 gallons	1.95 per 1,000 gallons

3/4" Meter

First 3,000 gallons	\$14.00 Minimum Bill
Next 2,000 gallons	3.50 per 1,000 gallons
Next 5,000 gallons	3.00 per 1,000 gallons
Next 15,000 gallons	2.50 per 1,000 gallons
Over 25,000 gallons	1.95 per 1,000 gallons

1" Meter

First 5,000 gallons	\$21.00 Minimum Bill
Next 5,000 gallons	3.00 per 1,000 gallons
Next 15,000 gallons	2.50 per 1,000 gallons
Over 25,000 gallons	1.95 per 1,000 gallons

1 1/2" Meter

First 10,000 gallons	\$36.00 Minimum Bill
Next 15,000 gallons	2.50 per 1,000 gallons
Over 25,000 gallons	1.95 per 1,000 gallons

Rates

Meter Size and Usage

2" Meter

First 16,000 gallons
Next 9,000 gallons
Over 25,000 gallons

\$51.00 Minimum Bill
2.50 per 1,000 gallons
1.95 per 1,000 gallons